

In México

Cablemás

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For Immediate Release

Cablemás 4Q07 Net Revenue and Adjusted EBITDA Up 15.7% and 8.0% YoY

México D.F., May 13, 2008 - Cablemás, S.A. de C.V., (Cablemás), the second-largest cable television operator in Mexico based on number of subscribers and homes passed, today announced results for the four- and twelve-month periods ending December 31, 2007.

Cablemás CEO Carlos M. Alvarez Figueroa commented, "We closed the year with another strong quarter. Revenue rose 15.7% with EBITDA up 8.0%. We continued to increase market penetration across all services. On a year-on-year comparison, Cable television subscribers rose 12.4%, high speed internet 25.1% and IP telephony 63.7%."

Financial and Operational Highlights⁽¹⁾

<i>(in million Mexican Pesos)</i>	4Q06	4Q07	% Chg.	2006	2007	% Chg.
Financial Highlights						
Net revenue	604.8	699.5	15.7%	2,383.3	2,703.6	13.4%
Operating profit	149.4	142.7	-4.4%	556.5	550.1	-1.1%
Adjusted EBITDA ⁽²⁾	225.6	243.5	8.0%	953.6	1,012.6	6.2%
Net income	(28.0)	30.3	n/a	70.7	226.2	220.1%
Operating margin	24.7%	20.4%	-430 bps	23.3%	20.3%	-300 bps
Adjusted EBITDA margin ⁽²⁾	37.3%	34.8%	-250 bps	40.0%	37.5%	-250 bps
Net income margin	-4.6%	4.3%	+896 bps	3.0%	8.4%	+540 bps
Total Debt	2,062.6	2,897.1	40.5%	2,062.6	2,897.1	40.5%
Net Debt	2,006.6	2,842.6	41.7%	2,006.6	2,842.6	41.7%
Total Debt/ LTM Adj. EBITDA ⁽²⁾	2.2x	2.9x		2.2x	2.9x	
Net Debt/ LTM Adj. EBITDA ⁽²⁾	2.1x	2.8x		2.1x	2.8x	
EBITDA/ Net interest expense	3.9x	4.4x		3.9x	4.0x	
Operational Highlights						
Homes passed	2,010,590	2,204,603	9.6%	2,010,590	2,204,603	9.6%
Cable Television subscribers	709,309	797,018	12.4%	709,309	797,018	12.4%
High-speed internet subscribers	176,182	220,446	25.1%	176,182	220,446	25.1%
IP Telephony lines	25,089	41,062	63.7%	25,089	41,062	63.7%

"As expected, adjusted EBITDA margin declined to 34.8% from 37.3% in 4Q06, as we continued to rollout our IP Telephony services. For the full year, adjusted EBITDA margin reached 37.5%, in line with our expectations."

"We continued making progress with the roll out of IP telephony and at year-end 2007 we were providing this service in nine cities," closed Mr. Alvarez Figueroa.

¹ Unless otherwise stated, all financial figures discussed in this announcement are unaudited, prepared in accordance with generally accepted accounting principles in Mexico, expressed in millions of constant Mexican pesos as of December 31, 2007, and represent comparisons between the three-month period ended December 31, 2007, and the equivalent three-month period ended December 31, 2006.

² Adjusted EBITDA is calculated by adding amortization and depreciation, net comprehensive financial results, net other income, special items, total income tax and asset tax, total employee statutory profit sharing, effects from associated companies and minority interest to net income/loss.

FOURTH QUARTER 2007 CONSOLIDATED RESULTS

Net Revenues

Net revenues increased 15.7%, or Ps.94.7 million, during 4Q07 to Ps.699.5 million, as described below:

- **Cable Television:** The 7.3% growth in cable television revenues, from Ps.481.2 to Ps.516.1 was principally due to a 12.4% YoY increase in the number of subscribers to 797,018 with a penetration rate of 35.4%. Average monthly cable television revenues per subscriber (ARPU) declined year over year to Ps. 219.6 from Ps.227.2, as a result of the 34.0% increase in Minibasic subscribers, who pay lower monthly fees, while Basic subscribers increased 4.8%. The average monthly net churn rates for cable television increased 30 bps to 2.4%, but declined from 2.5% in 3Q07.
- **High Speed Internet:** The 27.6%, or Ps28.4 million, rise in high-speed Internet revenues to Ps.131.2 million resulted mainly from a 25.1% increase in the number of subscribers to 220,446, with a penetration rate of 12%. High-speed Internet ARPU declined to Ps.201.7 from Ps.204.7 in 4Q06 reflecting increased competition. Average monthly net churn rates for high-speed Internet rose 40 bps to 4.5% in 4Q07 due to high competition.
- **IP Telephony:** IP telephony revenues for the quarter rose by Ps.35.4 million, to Ps.33.0 million. As of December 31, 2007, there were 41,062 IP telephony lines in service, up from 25,089 as of December 31, 2006. IP telephony ARPU for 4Q07 was Ps.264.9. This does not include migration fees paid to Cablemás by Axtel for new subscribers which, if included, would increase IP telephony ARPU to Ps.282.9 for 4Q07. During the first nine months of 2006 IP telephony revenues included costs and expenses charged to Axtel that were reclassified and netted in IP telephony cost and expenses as of 4Q06. This adjustment had no impact on EBITDA.

	4Q06		4Q07		% Chg.
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	
Cable Television	481.2	79.6%	516.1	73.8%	7.3%
High-Speed Internet	102.8	17.0%	131.2	18.8%	27.6%
IP telephony	-2.4	-0.4%	33.0	4.7%	n/a
Advertising	20.8	3.4%	18.4	2.6%	-11.9%
Other ⁽¹⁾	2.3	0.4%	0.7	0.1%	-67.1%
Total Net Revenue⁽²⁾	604.8	100.0%	699.5	100.0%	15.7%

¹ Includes revenue relating to rental and sale of cable decoders and charges relating to customer's change of residence.

² All net revenue figures are net of value-added taxes and other taxes on sales.

Table 2. Number of Subscribers and Revenue per Service Offering

	4Q06	4Q07	% Chg. in Subscribers
Minibasic	181,797	243,676	34.0%
Basic ⁽¹⁾	511,572	535,907	4.8%
Superbasic ⁽¹⁾	45,095	44,119	-2.2%
Premium ⁽¹⁾	29,589	33,767	14.1%
Hotel	15,940	17,435	9.4%
Total Cable Television	709,309	797,018	12.4%
High-Speed Internet	176,182	220,446	25.1%
IP Telephony lines	25,089	41,062	63.7%

¹ The number and percentage of Basic subscribers includes Basic, Superbasic and Premium subscribers due to the fact that all Superbasic and Premium subscribers must also be Basic subscribers.

Table 3. ARPUs and Churn Per Service Offering

	4Q06	4Q07	% Chg.
Homes passed	2,010,590	2,204,603	9.6%
Cable Television			
- Revenue	481.2	516.1	7.3%
- Subscribers	709,309	797,018	12.4%
- ARPU	227.2	219.6	-3.36%
- Avg. Monthly Churn	2.1%	2.4%	+ 30 bps
High-Speed Internet			
- Revenue	102.8	131.2	27.6%
- Subscribers	176,182	220,446	25.1%
- ARPU	204.7	201.7	-1.5%
- Avg. Monthly Churn	4.1%	4.5%	+40 bps
IP Telephony			
- Revenue	-2.4	33.0	n/a
- Lines	25,089	41,062	63.7%
- ARPU (without migration fee)	-82.9	264.9	419.6%

Operating Profit

Operating profit for 4Q07 declined by 4.4%, or Ps.6.6 million, to Ps.142.7 million, driven mainly by a 13.1% increase in SG&A, which more than offset the 5.6% increase in gross profit. Operating margin fell 430 bps to 20.4% from 24.7% in 4Q06.

Table 4. Operating Profit

	4Q06		4Q07		% Chg.
	Million Ps.	% of Revenues	Million Ps.	% of Revenues	
Service revenues	604.8	100.0%	699.5	100.0%	15.7%
Cost of services	254.4	42.1%	329.4	47.1%	29.5%
Gross Profit	350.4	57.9%	370.1	52.9%	5.6%
SG&A	201.0	33.2%	227.3	32.5%	13.1%
- Selling	69.1	11.4%	67.9	9.7%	-1.9%
- Administrative	122.4	20.2%	141.6	20.2%	15.6%
- Amortization and depreciation	9.4	1.6%	17.9	2.6%	90.8%
Total operating profit	149.4	24.7%	142.7	20.4%	-4.4%

Cost of Services

Cost of Services for 4Q07 rose 29.5%, or Ps.75.0 million. The increase in cost of services was primarily due to:

- A Ps.19.1 million increase in Internet costs related to the incremental cost for bandwidth as the company began offering higher Internet speeds at the same price to make its service more attractive. The increase also reflected the 25.1% growth in the number of Internet subscribers;
- A Ps.53.0 million increase in depreciation & amortization resulting from the investment in fixed assets and a reduction in the useful life of distribution lines from 25 years in 4Q06 to 15 years in 4Q07; and
- A Ps.12.1 million increase in telephony costs resulting from the roll out of IP telephony in new cities.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses (including depreciation and amortization) or SG&A, increased Ps.26.4 million, or 13.1% YoY to Ps.227.3 million. As a percentage of sales, however, SG&A declined 73 basis points to 32.5%, from 33.2% in 4Q06. The absolute increase in SG&A principally reflected the following changes:

- Administrative expenses increased 15.6% to Ps.141.6 million. As a percentage of revenues, administrative expenses remained unchanged at 20.2%. The rise in administrative expenses was principally due to:
 - A Ps.6.5 million increase in salaries and fees principally due to the increase in the number of employees resulting from the Company's growth;
 - A Ps.3.3 million increase in leases of additional warehouses and telephony facilities;
 - An increase of Ps.4.1 million in communications and travel expenses, due to more activity resulting from operational controls and the rollout of IP telephony.
- Amortization and depreciation rose 90.8%, or Ps.8.5 million, to Ps.17.9 million for 4Q07, principally due to the increase in office equipment.

These increases were partially offset by a 1.9%, or Ps.1.3 million, decline in selling expenses to Ps.67.9 million, principally due to lower fees and advertising expenses. The Company employed 1,215 salespersons as of December 31, 2007 compared to 1,000 as of December 31, 2006.

Adjusted EBITDA

Adjusted EBITDA for 4Q07 increased 8.0%, or Ps.17.9 million, to Ps.243.5 million. The adjusted EBITDA margin fell 250 bps to 34.8%. The following table sets forth the reconciliation between net income and adjusted EBITDA:

Table 5. Adjusted EBITDA

	4Q06	4Q07	% Chg.
Net income (loss)	(28.0)	30.3	n/a
<i>Add (subtract):</i>			
Amortization and depreciation	76.2	114.4	50.2%
Comprehensive financial results, net	22.5	93.0	312.7%
Other (income) expense, net	(3.3)	(41.6)	1180.1%
Special items	72.2	0.0	-100.0%
Total income tax and asset tax	78.7	25.2	-68.0%
Employee profit sharing	2.3	8.1	249.6%
Effects from associated companies	4.8	14.0	193.0%
Minority interest	0.10	0.14	35.8%
Adjusted EBITDA	225.6	243.5	8.0%

- Depreciation and amortization increased 50.2%, or Ps.38.3 million, to Ps.114.4 million, principally due to an increase in fixed asset investments and a change in the estimate of the useful life of distribution lines.
- Net comprehensive financial results were an expense of Ps.93 million compared with an expense of Ps.22.5 million in 4Q06, principally reflecting lower gains from financial instruments and monetary position.
- During the quarter the company recorded a Ps.25.2 million provision for income taxes and asset taxes, compared to Ps.78.7 million in 4Q06. Until 2006 each of Cablemás' subsidiaries calculated taxes on a standalone basis. Beginning 2007, however, with the approval of the Mexican tax authorities, Cablemás began calculating and paying income taxes on a consolidated basis, thus reducing the effective tax rate.

Comprehensive Financial Results, Net

Net comprehensive financial results were an expense of Ps.93.0 million for the three-months ended December 31, 2007, an increase of Ps.70.5 million over an expense of Ps.22.5 million for 4Q06. The increase primarily reflected a Ps.43.5 million financial instrument loss in 4Q07 compared with a Ps.8.7 million gain in 4Q06, and a lower monetary position gain in 4Q07. The financial instruments and foreign exchange non-monetary losses were the result of the Company's hedging strategy. This was due to a depreciation of the Mexican peso against the US dollar and a decline in interest rates in Mexico, compared with 2006 levels.

Table 6. Comprehensive Financial Results, Net

	4Q06	4Q07	% Chg.
Interest income	1.2	1.7	140.1%
Interest expense	-56.4	-56.4	0.1%
Financial instruments (loss)	8.7	-43.5	-600.1%
Foreign-exchange (loss) gain, net	-3.2	-2.0	-36.4%
Monetary position (loss) gain	27.1	7.4	-72.8%
Comprehensive financial results, net	(22.5)	(93.0)	312.7%

Net Income

For 4Q07, Cablemás posted a net gain Ps.30.3 million, a Ps.58.3 million gain, from a net loss of Ps.28.0 million in 4Q06. Net income margin rose to 4.3% from negative 4.6% for 4Q06.

FY07 CONSOLIDATED RESULTS

Net Revenues

Net revenues increased 13.4%, or Ps.320.4 million, during FY07 to Ps.2,703.6 million.

- **Cable Television:** The 9.2%, or Ps.171.5 million, growth in cable television revenues was principally due to a 12.4% YoY increase in the number of subscribers to 797,018, with a penetration rate of 35.4%. This was achieved despite a 2.6% decline in average monthly cable television revenues per subscriber (ARPU) to Ps.204.0. This decline in ARPU was primarily the result of a 34.0% increase in Minibasic subscribers, who pay lower monthly fees, while Basic subscribers increased 4.8%. The average monthly net churn rates for cable television declined 10 bps to 4.5% for FY07 from 2.5% in FY06.
- **High Speed Internet:** Revenues rose 31.2%, or Ps.115.4 million, to Ps.485.5 million. The rise in high-speed Internet revenues resulted mainly from a 25.1% increase in the number of subscribers to 220,446, with a penetration rate of 12%. This was partially offset by an 8.0% decline in high-speed Internet ARPU to Ps.204.0 as a result of the lower price/ lower-speed Internet (128 Kbps) subscriptions increased at a faster rate than those of higher-speed Internet (512 Kbps) and increased competition. Average monthly net churn rates for high-speed Internet rose to 4.5% for FY07 from 3.9% in FY06 due to high competition, service quality limitations in the Mayan Riviera during the reconstruction of the network damaged by Hurricane Wilma, and a slow client recovery following the hurricane.
- **IP Telephony:** IP telephony revenues for the period rose 63.1%, or Ps.45.8 million, to Ps.118.4 million. As of December 31, 2007, there were 41,062 IP telephony lines in service, up from 25,089 as of December 31, 2006. IP telephony ARPU for FY07 fell 14.3% to Ps.247.7. This does not include migration fees paid to Cablemás by Axtel for new subscribers which, if included, would increase IP telephony ARPU to Ps.270.7 for FY07.

Table 7. Revenues by Service Offering

	2006		2007		% Chg.
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	
Cable Television	1,869.8	78.5%	2,041.2	75.5%	9.2%
High-Speed Internet	370.1	15.5%	485.5	18.0%	31.2%
IP telephony	72.6	3.0%	118.4	4.4%	63.1%
Advertising	65.8	2.8%	54.9	2.0%	-16.6%
Other ⁽¹⁾	5.0	0.2%	3.6	0.1%	-27.4%
Total Net Revenue⁽²⁾	2,383.3	100.0%	2,703.6	100.0%	13.4%

¹ Includes revenue relating to rental and sale of cable decoders and charges relating to customer's change of residence.

² All net revenue figures are net of value-added taxes and other taxes on sales.

Table 8. Number of Subscribers and Revenue per Service Offering

	2006	2007	% Chg. in Subscribers
Minibasic	181,797	243,676	34.0%
Basic ⁽¹⁾	511,572	535,907	4.8%
Superbasic ⁽¹⁾	45,095	44,119	-2.2%
Premium ⁽¹⁾	29,589	33,767	14.1%
Hotel	15,940	17,435	9.4%
Total Cable Television	709,309	797,018	12.4%
High-Speed Internet	176,182	220,446	25.1%
IP Telephony lines	25,089	41,062	63.7%

¹ The number and percentage of Basic subscribers includes Basic, Superbasic and Premium subscribers due to the fact that all Superbasic and Premium subscribers must also be Basic subscribers.

Table 9. ARPUs and Churn Per Service Offering

	2006	2007	% Chg.
Homes passed	2,010,590	2,204,603	9.6%
Cable Television			
- Revenue	1,869.8	2,041.2	9.2%
- Subscribers	709,309	797,018	12.4%
- ARPU	231.9	225.9	-2.6%
- Avg. Monthly Churn	2.5%	2.4%	-10 bps
High-Speed Internet			
- Revenue	370.1	485.5	31.2%
- Subscribers	176,182	220,446	25.1%
- ARPU	221.7	204.0	-8.0%
- Avg. Monthly Churn	3.9%	4.5%	+60 bps
IP Telephony			
- Revenue	72.6	118.4	63.1%
- Lines	25,089	41,062	63.7%
- ARPU (without migration fee)	289.2	247.7	-14.3%

Operating Profit

Operating profit for FY07 declined by 1.1%, or Ps.6.4 million, to Ps.550.1 million, driven mainly by a 12.5% increase in SG&A, that more than offset the 6.6% rise in gross profit. Operating margin declined to 20.3% from 23.3% in FY07, principally due to higher cost of services as a percentage of sales.

Table 10. Operating Profit

	2006		2007		% Chg.
	Million Ps.	% of Revenues	Million Ps.	% of Revenues	
Service revenues	2,383.3	100.0%	2,703.6	100.0%	13.4%
Cost of services	1,091.6	45.8%	1,326.7	49.1%	21.5%
Gross Profit	1,291.7	54.2%	1,376.9	50.9%	6.6%
SG&A	735.2	30.8%	826.8	30.6%	12.5%
- Selling	252.8	10.6%	255.5	9.5%	1.1%
- Administrative	428.8	18.0%	507.2	18.8%	18.3%
- Amortization and depreciation	53.6	2.2%	64.1	2.4%	19.6%
Total operating profit	556.5	23.3%	550.1	20.3%	-1.1%

Cost of Services

Cost of Services for FY07 increased by 21.5%, or Ps.235.1 million. The increase in cost of services was primarily due to:

- A 8% increase in programming costs derived from a 12.4% growth in cable television subscribers;
- A 30.1% increase in wages and salaries reflecting an increase in the number of technical employees as a result of the growth in video and telephony subscribers;
- A Ps.61.4 million increase in Internet costs, which are related to the incremental cost for bandwidth. Higher internet costs also reflect the 25.1% increase in the number of internet subscribers during the period;
- A Ps.28.9 million increase in telephony costs resulting from the roll out of IP telephony in new cities; and
- A Ps.121.9 million increase in depreciation & amortization related to an increase in fixed asset investments and a change in the estimate of the useful life of distribution lines. During 2006 the useful life of these assets was estimated at 25 years compared with 15 years in 2007.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses (including depreciation and amortization) or SG&A, increased Ps.91.6 million, or 12.5% YoY to Ps.826.8 million. As a percentage of sales, SG&A declined 20 basis points to 30.6%. The absolute increase in SG&A principally reflected the following factors:

- A 1.1%, or Ps.2.7 million, increase in selling expenses to Ps.255.5 million principally related to the expansion of the company's sales force (1,215 salespersons as of December 31, 2007 as compared to 1,000 as of December 31, 2006), an increase in commissions paid.
- A 18.3%, or Ps.78.4 million, increase in administrative expenses, including Ps.31.7 in wages and salaries, Ps.12.1 million from the increase in office expenses, mainly software maintenance and renewal of licenses, Ps.6.7 million from higher professional fees, insurance and travel expenses, and Ps.14.1 million from increased communication activities and travel expenses; and
- Amortization and depreciation rose 19.6%, or Ps.10.5 million, to Ps.64.1 million for FY07, principally due to an increase in office equipment.

Adjusted EBITDA

Adjusted EBITDA for FY07 increased 6.2%, or Ps.59.0 million, to Ps.1,012.6 million. The adjusted EBITDA margin declined 250 bps to 37.5% from 40.0%. The following table sets forth the reconciliation between net income and adjusted EBITDA:

Table 11. Adjusted EBITDA

	2006	2007	% Chg.
Net income (loss)	70.7	226.2	220.1%
<i>Add (subtract):</i>			
Amortization and depreciation	409.2	468.1	14.4%
Comprehensive financial results, net	142.2	231.3	62.6%
Other (income) expense, net	152.1	(55.4)	-136.4%
Total income tax and asset tax	173.0	131.7	-23.8%
Employee profit sharing	(6.1)	(2.9)	-53.1%
Effects from associated companies	11.5	12.9	12.5%
Minority interest	0.9	0.4	-54.5%
Adjusted EBITDA	953.6	1,012.6	6.2%

- Depreciation and amortization rose 14.4%, or Ps.58.9 million, to Ps.468.1 million, principally due to an increase in fixed asset investments and a change in the estimate of the useful life of distribution lines;
- Net comprehensive financial results were an expense of Ps.231.3 million compared with an expense of Ps.142.2 million in FY06 as explained below; and
- As a result of applying NIF B3, the account "Special Items" was eliminated with charges now accounted for in "Other (Expense) Income, net".
- During the period the Company recorded a Ps.131.7 million provision for income and asset taxes, compared to Ps.173.0 million in FY07. Until 2006 each of Cablemás' subsidiaries calculated taxes on a standalone basis. Beginning 2007, however, with the approval of the Mexican tax authorities, Cablemás began calculating and paying income taxes on a consolidated basis, thus reducing the effective tax rate.

Comprehensive Financial Results, Net

Net comprehensive financial results was an expense of Ps.231.3 million for FY07, an increase of Ps.89.1 million from an expense of Ps.142.2 million for FY06. The increase mainly reflected a decline in interest income, higher interest expenses as a result of the Ps.834.5 million increase in gross debt, a financial instruments gain in 2006 compared with a loss in 2007 and a foreign exchange loss compared with a gain in 2006. The financial instruments and foreign exchange non-monetary losses were the result of the Company's hedging strategy. This was due to a depreciation of the Mexican peso against the US dollar and a decline in interest rates in Mexico, compared with 2006 levels.

Table 12. Comprehensive Financial Results, Net

	2006	2007	% Chg.
Interest income	-24.1	-5.4	-77.4%
Interest expense	255.7	261.4	2.3%
Financial instruments (gain)	-32.3	15.1	n/a
Foreign-exchange (gain) loss, net	-8.8	5.0	n/a
Monetary position loss (gain)	-48.2	-44.8	-7.1%
Comprehensive financial results, net	142.2	231.3	62.6%

Net Income

For FY07, Cablemás posted a net gain Ps.226.2 million, a 220.1%, or Ps.155.6 million, improvement compared to a Ps.70.7 million gain in FY06. Net income margin improved to 8.4% from 3.0% for FY06.

CAPEX

Capital expenditures for FY07 declined 13.4%, or Ps.174.6 million, to Ps.1,133.1 million from Ps.1,307.7 million in FY06. Capital expenditures principally related to investments incurred in connection with the roll out of IP telephony and to expand and upgrade Cablemás' network.

As of December 31, 2007, Cablemás had a network of 13,964 km, of which 83% was bidirectional, 88% was operating at or greater than 550 MHz and 76% was operating at or greater than 750 MHz.

DEBT STRUCTURE AND CASH FLOW

Consolidated gross debt as of December 31, 2007, totaled Ps. 2,897.1 million, of which Ps.2,576.9 million was long-term and Ps.320.2 million was short term. Consolidated gross debt rose YoY by 40.5%, from Ps.2,062.6 million as of December 31, 2006. This was mainly the result of the 5-year term syndicated loan facility for US\$50 million entered with JP Morgan on December 21, 2007 in connection with the financing of the acquisition of a 15% of the assets of Bestel, S.A. de C.V.

Net debt, which is calculated as total debt minus cash and cash equivalents, increased YoY by 41.7% to Ps.2,842.6 million, from 2,006.6 million as of December 31, 2006. As of December 31, 2007, Cablemás had a cash balance of Ps.54.5 million.

Table 13. Debt Indicators

	2006	2007	% Chg.
Total Debt	2,062.6	2,897.1	40.5%
Short-Term Debt	89.7	320.2	257.1%
Long-Term Debt	1,972.9	2,576.9	30.6%
Cash and Cash Equivalents	56.0	54.5	-2.6%
Total Net Debt	2,006.6	2,842.6	41.7%
Leverage			
Total Debt/ LTM Adjusted EBITDA	2.2x	2.9x	
Total Net Debt/ LTM Adjusted EBITDA	2.1x	2.8x	
Interest Coverage			
Adjusted EBITDA / Net Interest Expense	3.9x	4.0x	

Cash flow from operations during FY07 increased 61.4%, or Ps.317.8 million, to Ps.835.1 million. Net borrowings rose Ps.786.6 million to Ps.795.9 million. CAPEX for FY07 decreased Ps.174.6 million to Ps.1,133.1 million. Investments were principally related to the upgrade and expansion of Cablemás' network, customers' premises equipment investments and the roll out of IP telephony.

Table 14. Cash Flow

	2006	2007	Change
Cash at the beginning of the period	827.8	56.0	(771.8)
Net Income	70.7	226.2	155.6
+ Depreciation and amortization	409.2	468.1	58.9
+ Depreciation and amortization extraordinary	-	-	-
+ Change in Working Capital	(14.3)	123.6	137.9
+ Other	51.6	17.1	(34.5)
Cash Flow from Operations	517.3	835.1	317.8
- Capex	(1,307.7)	(1,133.1)	174.6
- Other	9.3	(499.3)	(508.6)
Net Investing Activities	(1,298.4)	(1,632.4)	(334.0)
+ Debt	35.8	835.3	799.5
+ Other	(26.4)	(39.4)	(12.9)
Net Financing Activities	9.3	795.9	786.6
Cash at the end of the period	56.0	54.5	(1.5)

KEY EVENTS

Cablemás Received Financing for Acquisition of 15% Stake in Bestel

On December 21, 2007 Cablemás entered into a 5-year term syndicated loan facility for US\$50 million in connection with the financing of the acquisition of 15% of the assets of Bestel, S.A. de C.V.

Cablemás Completes Acquisition of 15% Stake in Bestel

On December 13, 2007 Cablestar, S.A. de C.V. closed the acquisition of the majority of the assets of Bestel. Cablestar is owned 70% by Empresas Cablevisión, S.A.B., in which Televisa owns a 51% stake; 15% by Televisión Internacional, S.A. de C.V., which is based in Monterrey; and 15% by Cablemás, S.A. de C.V.

FOURTH QUARTER 2007 EARNINGS CONFERENCE CALL

Date: Wednesday, May 14, 2008

Time: 11:30 AM US ET– 10:30 AM Mexico City Time

Dial Information: 888-713-4205 (U.S.) or 617-213-4862 (international)

Passcode: 87710325

Pre-registration: If you would like to pre-register for the conference call use the following link:
<https://www.theconferencingservice.com/prereg/key.process?key=PCKFPERDK>

Pre-registering is not mandatory but is recommended as it will provide you immediate entry into the call and will facilitate the timely start of the conference. You will receive a code that allows you to enter the call directly. Pre-registration only takes a few moments, and you may do so at any time, including up to and after call start time. To pre-register, please click the link above. Alternatively, if you would rather be placed into the call by an operator, please call at least 15 minutes prior to call start time.

Replay: Starting Wednesday, May 14, 2007, at 1:30 PM US ET, ending at midnight US ET on Wednesday, May 21, 2007, 888-286-8010 (U.S.) or 617-801-6888 (international). Passcode: 44115083.

About Cablemás

Cablemás is the second-largest cable television operator in Mexico based on number of subscribers and homes passed. As of December 31, 2007, Cablemás' cable network served over 797,018 cable television subscribers, 220,446 high-speed internet subscribers, and 41,062 IP telephony lines, with 2,204,603 homes passed.

Cablemás is the concessionaire with the broadest coverage in Mexico, operating in 46 cities throughout the country's oil, maquiladora and tourist regions as of December 31, 2007. Cablemás has consistently introduced innovative products in Mexico and is the first cable operator in the country to provide a "Triple Play" bundled service package of cable television, high speed internet and IP telephony. More information about Cablemás can be found at www.cablemas.com.

This document may contain certain forward-looking statements concerning Cablemás' operations, performance, business, financial condition and growth prospects. These statements are based upon beliefs of management as well as a number of assumptions and estimates, which are inherently subject to significant uncertainties, many of which are beyond Cablemás' control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in the Mexican economy, including changes in inflation rates or exchange rates, changes in political conditions and government policies in Mexico, increased competition, regulatory developments and customer demand. These statements are made as of the date of this press release and Cablemás undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise in light of these risks and uncertainties, there can be no assurances that the events described or implied in the forward-looking statements contained in this document will in fact transpire.

- UNAUDITED FINANCIAL TABLES TO FOLLOW -

CABLEMAS, S. A. DE C. V. AND SUBSIDIARIES

Consolidated Statements of Income

Years ending December 31st 2007, 2006 and 2005

(Thousand of Constant Mexican pesos as of December 31, 2007)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Service revenues	Ps. 2,703,628	2,383,276	1,856,902
Cost of services	<u>1,326,683</u>	<u>1,091,553</u>	<u>864,788</u>
Gross profit	<u>1,376,945</u>	<u>1,291,723</u>	<u>992,114</u>
Operating expenses:			
Selling	255,506	252,827	172,295
Administrative	507,181	428,803	389,590
Amortization and depreciation	<u>64,124</u>	<u>53,601</u>	<u>54,292</u>
Total operating expenses	<u>826,811</u>	<u>735,231</u>	<u>616,177</u>
Operating profit	<u>550,134</u>	<u>556,492</u>	<u>375,937</u>
Other income (expenses),			
Employee statutory profit sharing:			
Current	(5,795)	(8,341)	(4,610)
Deferred	<u>2,945</u>	<u>2,262</u>	<u>2,365</u>
Total employee statutory profit sharing	<u>(2,850)</u>	<u>(6,079)</u>	<u>(2,245)</u>
Loss on sale of property and equipment	(1,753)	(5,729)	(2,850)
Impairment of goodwill	51,136	(13,447)	(37,688)
Other income (expenses)	<u>6,003</u>	<u>(132,941)</u>	<u>(14,004)</u>
Other income (expenses), net	<u>52,536</u>	<u>(158,196)</u>	<u>(56,787)</u>
Comprehensive financial results:			
Interest income	5,429	24,051	5,546
Interest expense	(261,435)	(255,656)	(184,872)
Foreign exchange (loss) gain, net	(4,958)	8,824	5,602
Valuation effects of financial instruments	(15,146)	32,343	(14,315)
Monetary position gain	<u>44,798</u>	<u>48,221</u>	<u>21,395</u>
Comprehensive financial results, net	<u>(231,312)</u>	<u>(142,217)</u>	<u>(166,644)</u>
Effects from associated companies:			
Equity in the results of operations	(12,832)	(11,505)	40,091
Loss from purchase of investments	<u>(109)</u>	<u>-</u>	<u>-</u>
Total effects from associated companies	<u>(12,941)</u>	<u>(11,505)</u>	<u>40,091</u>
Income before income taxes and minority interest	<u>358,417</u>	<u>244,574</u>	<u>192,597</u>
Income taxes:			
Current	56,496	79,382	45,249
Deferred	<u>75,247</u>	<u>93,581</u>	<u>38,371</u>
Total income taxes	<u>131,743</u>	<u>172,963</u>	<u>83,620</u>
Income before minority interest	226,674	71,611	108,977
Minority interest	<u>(426)</u>	<u>(937)</u>	<u>639</u>
Majority interest net income	Ps. <u>226,248</u>	<u>70,674</u>	<u>109,616</u>
Basic earnings per share	Ps. <u>0.83</u>	<u>0.28</u>	<u>4.32</u>

CABLEMAS, S. A. DE C. V. AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

Years ending December 31st 2007, 2006 and 2005

(Thousand of Constant Mexican pesos as of December 31, 2007)

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating activities:			
Majority interest net income	Ps. 226,248	70,674	109,616
Add charges (deduct credit) to operations not requiring (providing) funds:			
Loss on sale of equipment	1,753	5,729	2,850
Depreciation and amortization	468,140	409,231	338,827
Impairment of goodwill	(51,136)	13,447	37,688
Write-off of goodwill	-	8,198	-
Net gain on insurance recovery	(44,557)	-	(68,631)
Increase in allowance for inventory of components of signal distribution systems	-	2,928	2,913
Effects from associated companies	12,941	11,505	(40,091)
Accrual for pension, seniority premiums and severance	12,640	8,348	10,496
Deferred income taxes	75,247	93,581	38,371
Deferred employee statutory profit sharing	(2,945)	(2,262)	(2,365)
Minority interest	426	937	(639)
Financial instruments	12,703	(90,804)	10,320
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Funds provided by operations	711,460	531,512	439,355
Net financing from (investing in) operating accounts:			
Trade and other accounts receivable, net	87,225	(87,561)	10,357
Prepaid expenses	(1,926)	6,106	(10,910)
Accounts payable	21,364	87,207	(66,100)
Accruals and accrued liabilities	(291)	21,476	23,172
Taxes payable	(16,471)	8,164	6,645
Subscriber deposits and advances	(4,659)	(21,997)	22,594
Employee statutory profit sharing	(2,881)	3,591	505
Related parties	41,233	(31,242)	(6,320)
	<hr/>	<hr/>	<hr/>
Funds provided by operating activities	835,054	517,256	419,298
Financing activities:			
Proceeds from (payments of) bank loans, net	885,031	89,151	(92,852)
Proceeds from notes and payments of commercial paper obligations, net	(63,510)	(54,316)	1,160,114
Proceeds from (payments of) capital lease obligations	13,739	921	(73,308)
Capital stock increases	-	5,570	-
Additional paid-in capital	-	37,633	-
Dividends paid	(38,212)	(67,284)	-
Pension, seniority premiums and severance payments	-	-	(3,495)
Accruals payments	(849)	-	-
Income tax long-term	(297)	(2,337)	(363)
	<hr/>	<hr/>	<hr/>
Funds provided by financing activities	795,902	9,338	990,096
Investing activities:			
Inventory of components of signal distribution systems	(58,766)	(130,546)	32,202
Proceeds from sale of signal distribution system equipment	3,712	37,574	11,072
Capital expenditures	(1,023,898)	(1,102,139)	(829,317)
Other assets, net	(50,434)	(75,009)	(70,336)
Acquisition of subsidiary companies, net of cash	-	-	(2,928)
Investment in associated companies	(547,602)	(28,273)	(19,158)
Reimbursement of investment from associated company	-	-	37,421
Insurance recovery	44,557	-	203,732
	<hr/>	<hr/>	<hr/>
Funds used in investing activities	(1,632,431)	(1,298,393)	(637,312)
(Decrease) increase in cash and cash equivalents	(1,475)	(771,799)	772,082
Cash and cash equivalents:			
At beginning of year	55,993	827,792	55,710
	<hr/>	<hr/>	<hr/>
At end of year	Ps. 54,518	55,993	827,792